

COMMONWEALTH OF KENTUCKY
ENVIRONMENTAL AND PUBLIC PROTECTION CABINET
OFFICE OF FINANCIAL INSTITUTIONS
AGENCY CASE NO. 2004-AH-037
ADMINISTRATIVE ACTION NO. 04-PPC-0465

OFFICE OF FINANCIAL INSTITUTIONS

COMPLAINANT

vs.

BLUEGRASS CHECK ADVANCE OF KENTUCKY, INC.

RESPONDENT

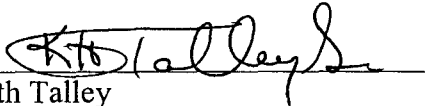
FINAL ORDER

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It appearing to the Acting Executive Director of the Office of Financial Institutions that a Settlement Agreement was entered into between the parties to this action on January 31, 2005 and subsequently, on March 1, 2005, Susan S. Durant of the Division of Administrative Hearings in the Office of the Attorney General entered an Order Recommending Dismissal of the Respondent's request for a hearing in this matter upon the terms of the said Settlement Agreement;

NOW THEREFORE, the Order Recommending Dismissal entered by the hearing officer herein on March 1, 2005 is accepted and adopted as this agency's Final Order including the Settlement Agreement incorporated into said recommended order.

Entered this 25 day of April, 2005.


Keith Talley
Acting Executive Director
Office of Financial Institutions

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SETTLEMENT AGREEMENT

* * * * *

Whereas an administrative complaint was filed by the Complainant herein against the Respondent on or about October 15, 2004 alleging that the Respondent knowingly used the Office of the Logan County Attorney to threaten its deferred deposit customers with prosecution pursuant to KRS 514.040 for issuing insufficient funds checks to the Respondent; and,

Whereas the Respondent filed its Answer to said Complaint on or about December 28, 2004 alleging that it had told its employees to instruct the Logan County Attorney's Office, if collection letters were mailed, that threats of prosecution under KRS 514.040 could not be made;

Now whereas the Complainant has agreed that the Respondent may continue operating a deferred presentment business in the Commonwealth of Kentucky and the Respondent has agreed to pay the costs of this compliance action, said understanding is reduced to writing as follows:

1. This agreement will be signed by an authorized representative of the Respondent and by its attorney of record in this action. Upon execution by the aforesaid named parties, this

agreement will be returned to the Complainant for approval by the Executive Director of the Office of Financial Institutions and by the Hearing Officer herein. Accompanying the executed agreement shall be a check drawn on the Respondent's account in the amount of Ten Thousand Dollars (\$10,000) payable to the Kentucky State Treasurer for the costs of this action.

2. Upon the execution of this agreement and payment of the aforesaid costs by the Respondent, the Complainant will file same with the Executive Director of the Office of Financial Institutions and will mail a copy to the hearing officer herein with a request that the hearing officer recommend dismissal of this proceeding and that the hearing officer recommend approval of this Settlement Agreement. In the event that the hearing officer does not recommend dismissal of this proceeding or that this is proceeding is not dismissed for any reason, then Complainant will refund to Respondent the Ten Thousand (\$10,000) dollar payment described in paragraph 1 hereinabove within ten (10) days from the date of the decision not to recommend dismissal of this proceeding or the decision not to dismiss this proceeding.

3. The parties agree that a hearing in this matter would yield conflicting testimony concerning the Respondent's culpability in threatening customers with criminal prosecution in violation of KRS 368.110. The Respondent by executing this agreement admits no such culpability.

4. Nothing herein shall be construed as limiting the Respondent's right to continue operating a deferred deposit/check cashing business in the Commonwealth of Kentucky under its license therefor.

5. By executing this agreement the Respondent and its attorney request that its petition for a hearing be withdrawn.

Aubrey R. Mooney

Aubrey R. Mooney
Counsel for Complainant
Dated:

Robert Watt

Robert Watt
Attorney for Respondent
Dated: 2/2/05

Rita Foster

Officer
Bluegrass Check Advance of Kentucky, Inc.
Dated: 1/31/05